



PSC NEWS

Missouri Public Service Commission

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PSC APPROVES AGREEMENT WHICH REDUCES MISSOURI PUBLIC SERVICE ELECTRIC RATES

Jefferson City (February 21, 2002)---The Missouri Public Service Commission has approved an agreement which reduces the annual electric revenues of Missouri Public Service by approximately \$4.2 million (1.43%).

For a residential customer using 1,000 kwh (kilowatts) per month, the Commission's decision will reduce electric rates by approximately 70 cents a month. When Missouri Public Service filed an electric rate case with the Missouri Public Service Commission on June 8, 2001, the electric company sought to increase electric revenues by approximately \$49.3 million (16.86%) a year. For a residential customer using 1,000 kwh (kilowatts) per month, the proposed increase would have been approximately \$14.00 a month.

The Staff of the Missouri Public Service Commission conducted a thorough audit of the books and records of the electric operations of Missouri Public Service. As a result of that audit, the Staff of the Missouri Public Service Commission filed testimony stating that Missouri Public Service's current electric rates should be reduced.

The agreement approved by the Commission was submitted by the Staff of the Missouri Public Service Commission, the Office of the Public Counsel, UtiliCorp United, Inc. d/b/a Missouri Public Service, the County of Jackson, Sedalia Industrial Energy Users' Association, the Missouri Joint Municipal Electric Utility Commission, United States Executive Agencies and the City of Kansas City. The agreement was reached as a result of extensive negotiations conducted by the above parties.

The agreement approved by the Commission calls for a rate moratorium until at least January 1, 2003. Each of the parties agrees to not file a rate case or a complaint case before January 1, 2003, **unless** there is the occurrence of a significant, unusual event, such as an act of God, a significant change in

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state utility law or regulation, or an extended outage or shutdown of a major generating unit(s) which has a major effect on either or both Missouri Public Service or St. Joseph Light & Power.

Missouri Public Service serves approximately 205,000 electric customers in the Missouri counties of Barton, Bates, Benton, Buchanan, Carroll, Cass, Cedar, Clay, Clinton, Dade, Daviess, Grundy, Harrison, Henry, Jackson, Johnson, Lafayette, Mercer, Pettis, Platte, Ray, St. Clair and Vernon.

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Case No. ER-2001-672